



## “Can a misstatement in my trademark application come back to haunt my trademark registration?”

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A trademark registration is a powerful tool. It serves as *prima facie* proof of ownership and validity, provides the mark with national protection, and gives access to actions to stop infringement and the depreciation of a mark's goodwill. Trademark owners ought to be mindful, however, of ensuring that all statements made to the Trade-marks Office in obtaining the trademark registration are truthful and accurate, lest they give others potential ammunition to invalidate the trademark registration.

In general, section 18 of the *Trade-marks Act*, RSC 1985, c T-13, provides four enumerated grounds to invalidate a trademark registration: (1) the trademark was not registrable at the date of registration; (2) the trademark is no longer distinctive at the time the proceeding is brought; (3) the trademark has been abandoned; and (4) the applicant for the registration was not the person entitled to secure the registration. Proceedings invoking the second and third grounds render a registration invalid at the time the decision is rendered. Successful challenges to invalidity on the first and last grounds, however, will result in the registration being deemed void *ab initio* – as if the registration had never occurred.

As confirmed by the recent Federal Court of Appeal decision in *Concierge Connection Inc. v Venngo Inc.*, 2015 FCA 215, Canadian courts have developed two additional circumstances rendering a registration void *ab initio*, both relating to misstatements made to the Trade-marks Office in the course of applying for the trademark or obtaining registration, specifically, misstatements that are: (1) intentional and fraudulent misrepresentations; or (2) innocent misrepresentations that are fundamental to the registration, in the sense that the registration could not have been secured without the representations.

But what exactly are those types of “innocent” misrepresentations that are “fundamental” to the registration? Originally, such misstatements were understood to be restricted to those matters listed in section 12 of the *Trade-marks Act*, which identifies types of marks that are not considered inherently registrable; for example, marks that are primarily merely names or surnames, clearly descriptive marks, generic marks, and mark confusing with already registered marks. In cases where, without the innocent misrepresentation, the section 12 barriers would have been insurmountable, the registration would be deemed void *ab initio*.

The Federal Court in *Unitel Communications Inc v. Bell Canada* (1995), 61 CPR (3d) 12 (FCTD) found that misstatements “fundamental to the registration”, which in that case, pertained to a trademark registration obtained on the basis of a false declaration of use (where an application is filed based on a proposed use basis, it will not proceed to registration until the applicant files a declaration that use with the applied-for goods and/or services has commenced) resulted in a registration deemed void *ab initio*.

In *Unitel*, the Registrant had never in fact used the registered mark at all in Canada with any of the applied-for proposed use services. As such, the Court held that the declaration of use was simply false, regardless of what the intent of the applicant had been, and that neither fraud nor intent to deceive was a necessary element. The Court stated that since ‘but for’ the false declaration the registration would not have issued, it was fundamental to the registration, rendering the registration void *ab initio*.

In *Petroleos Mexicanos v. Intermix S.A.* (Federal Court File No. T-2160-12, unreported), Justice Russell similarly found a registration void *ab initio* because the Registrant had not used the mark with the applied-for goods and services before registration.

The broad holding in *Unitel* appears to have been somewhat distinguished, however, by the subsequent decision in *Parfums De Coeur, Ltd. v. Asta* (2009), 71 CPR (4th) 82 (FCTD), where there was use of the mark on some, but not all, of the goods when the declaration of use was filed. The Court held that, notwithstanding the erroneous declaration of use, the Registrant's voluntary amendment of the registration prior to the commencement of the invalidity proceeding removing the goods not actually in use at the time the declaration was filed, cured the registration. Further, the Court stated where a "misstatement" is innocent and in good faith, there is opportunity to amend the registration. What appears to be key in this case is that the registration was amended to delete the relevant goods prior to the date that the invalidity proceedings were brought.

The recent *Pacific Western Brewing Company Ltd. v. Cerveceria del Pacifico*, 2015 FC 1078 ["PWB"] case may have expanded the "fundamental" misstatement ground further, to include a misstated first use date. In *PWB*, the Pacific Western Brewing claimed Cerveceria's registered mark, PACIFICO, was void on the basis that the claimed date of first use in the underlying application was false, and thus the resulting registration – which issued nearly 30 years ago – was invalid. While Justice Martineau of the Federal Court did outline the general circumstances under which a misstatement in an application could give rise to an *ab initio* invalidation, he did not determine whether a misstated date of first use could be an invalidating "fundamental" misstatement. However, in *Miranda Aluminum Inc v Miranda Windows & Doors Inc*, 2010 FCA 104, the Federal Court of Appeal held that a potentially inaccurate claimed date of first use would not have been a type of misstatement that would bar registration, especially since, in that instance, actual use had commenced prior to the application filing date.

Similarly, in *WCC Containers Sales Ltd v Haul-All Equipment Ltd*, 2003 FC 962, the Federal Court found that an innocent misrepresentation in an application regarding the length of use of the mark by a predecessor-in-title was not a type of misrepresentation "fundamental" to the registration, since there had still been use of the mark prior to the filing date of the application.

The Federal Court has similarly rejected the premise that adding or changing a basis of application after the application filing date could be an invalidating "fundamental" misstatement, provided the added or changed claims made were accurate when made. In *Coors Brewing Company v. Anhesuer-Busch, LLC*, 2014 FC 716. Coors argued that the effect of the Federal Court decision in *The Thymes, LLC v Reitmans Canada Limited*, 2013 FC 127 – which held that a mark could be refused registration if the trademark application was based on a claim of use and registration abroad, but where the foreign use commenced *after* the Canadian application filing date – meant that any registration issuing only on the basis of a claim of use and registration abroad added after the application filing date must be held void *ab initio*. The Court rejected the argument, holding that, regardless of the decision in *Thymes*, if a statement is accurate on the date it is made it is not a "misstatement", and therefore not an invalidity ground. In *Coors*, the original claim made by Anhesuer-Busch that it proposed to use its mark GRAB SOME BUDS in Canada was accurate on the application filing date. Further, at the date the use and registration abroad claim was added, Anhesuer-Busch had, in fact, commenced foreign use – as such, there was no "misstatement" and the registration was held valid.

The case law highlights the importance of making truthful and prudent statements to the Trade-marks Office in the course of filing and amending applications and obtaining trademark registrations. Given the different approaches the Courts have taken, Applicants should take considerable care with respect to what filing grounds are claimed as the basis of the application, the dates of first use claimed, and should ensure that the facts that would support such claims exist as of the date those claims are made. Further, with respect to declarations of use, applicants should ensure that use with the goods and/or services claimed has actually commenced before a declaration is filed, or they should delete the goods and/or services which are not in use, prior to filing the declaration of use.

It will be interesting to see how case law will evolve regarding what is and will be considered "fundamental" misstatements once the amendments to the *Trade-marks Act* come into force (now expected to come into force in 2018). The amendments remove the specific filing bases for applications – under the new regime, applicants will simply have either used or intend to use the mark in Canada. How will our Courts find registrations invalid where there was no use or no intention to use as of the application filing date? Will our Courts see evidence of use or an intention to use – e.g., use or a concrete plan to use – as somehow "fundamental" to securing a registration?